

**CONFIDENTIAL**

OGC HAS REVIEWED.

27 July 1951

MEMORANDUM FOR: Mr. Houston

FROM :

[REDACTED]

25X1A

SUBJECT :

Retired Officers as Consultants

Reference is made to your memorandum to the Deputy Director (Administration), dated 25 July 1951, concerning retired officers. In accordance with your instructions, I took this memorandum to Mr. Carl P. Friend, General Accounting Office attorney, to make certain he was not misquoted by you.

Generally, his discussion with you was based upon the contents of the proposed letter to the Comptroller General from the Director of Central Intelligence. This letter contained no reference to Section 15 of Public Law 600 and, consequently, he did not explore that statute completely prior to his telephonic discussion with you.

He agrees generally, however, with your memorandum to the Deputy Director (Administration). He would prefer, for the record, that the last sentence of paragraph 2 of this memorandum read as follows:

"With reference to the one year's limitation in Public Law 600, Mr. Friend said it is possible that the limitation might not be applicable to CIA in view of the fact that CIA had broad statutory authority in connection with employment of personnel and expenditure of funds therefor without regard to the specific provisions of Public Law 600, but in any event, the employment on an intermittent fee basis would not be within the time limitations of Section 15. (His changes are underlined).

25X1A

[REDACTED]

OGC/JJB/McD

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*Mr. Houston's memo re-written to conform with this memo; L.R.'s memo dtd 25 July 1951. (only first page rewritten). m h s.*